

AMENDED IN ASSEMBLY JANUARY 7, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 40

Introduced by Assembly Member Portantino

December 4, 2006

~~An act relating to umbilical cord blood banking. An act to add and repeal Sections 17053.82 and 23682 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 40, as amended, Portantino. ~~Umbilical cord blood banking: advisory council. Income and corporation taxes: credit: contributions to Umbilical Cord Blood Collection Program Fund.~~

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2009, in an amount equal to the amount contributed by the taxpayer during the taxable year to the Umbilical Cord Blood Collection Program Fund. This bill would authorize a credit until January 1, 2015, or until the aggregate amount of tax credits authorized is exhausted, whichever occurs first.

This bill, upon appropriation by the Legislature, would make that portion of the credit that is in excess of the taxpayer's tax liability refundable.

This bill would take effect immediately as a tax levy.

~~Existing law contains provisions governing the licensure of blood banks and health facilities. Effective July 1, 2007, these provisions shall be administered by the State Department of Public Health.~~

~~This bill would require that department to establish an advisory council on umbilical cord blood donation that would make recommendations to the Legislature about how best to achieve specified objectives as set forth in the bill, including to increase the amount of umbilical cord blood donated for public use. The bill would require for council members to be appointed by the Governor, the President pro Tempore of the Senate, and the Speaker of the Assembly.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17053.82 is added to the Revenue and
2 Taxation Code, to read:
3 17053.82. (a) (1) For each taxable year beginning on or after
4 January 1, 2009, there shall be allowed as a credit against the
5 “net tax,” as defined by Section 17039, an amount equal to the
6 amount contributed by the taxpayer during the taxable year to the
7 Umbilical Cord Blood Collection Program Fund.
8 (2) The contribution shall not be eligible for the credit unless
9 it is certified in accordance with paragraph (1) of subdivision (f).
10 (b) The aggregate amount of tax credits authorized under this
11 section and Section 23682 shall not exceed twenty-five million
12 dollars (\$25,000,000).
13 (c) (1) In the case of the taxpayer whose credit amount under
14 this section exceeds his or her tax liability, the excess shall be
15 credited, upon appropriation by the Legislature, against other
16 amounts due, if any, from the taxpayer, and the balance, if any,
17 shall be refunded to the taxpayer.
18 (2) Those amounts, that are determined by the Franchise Tax
19 Board to be necessary to make the refunds pursuant to this section,
20 when authorized by the Legislature, shall be transferred from the
21 Personal Income Tax Fund to the Tax Relief and Refund Account
22 established pursuant to Section 19611 and shall, notwithstanding
23 Section 13340 of the Government Code, be continuously
24 appropriated from that account without regard to fiscal years to
25 the Franchise Tax Board for the purpose of making these refunds.
26 (d) For purposes of this section, the “Umbilical Cord Blood
27 Collection Program Fund” means the fund established pursuant
28 to Section 1628 of the Health and Safety Code.

1 (e) In order to be eligible for the credit authorized by this
2 section, the taxpayer shall file an application for the tax credit
3 with the State Department of Public Health, in the form or manner
4 as prescribed by the State Department of Public Health.

5 (f) The State Department of Public Health shall do all of the
6 following:

7 (1) With respect to taxpayers filling out an application for
8 certification for the credit authorized by this section:

9 (A) Certify that the taxpayer made a contribution as specified
10 in subdivision (a).

11 (B) Obtain the taxpayer's identification number, and in the case
12 of a partnership, the taxpayer identification numbers of all
13 partners.

14 (C) Process and approve or reject all applications on a
15 first-come-first-served basis.

16 (D) For approved applications, issue certificates for the tax
17 credit in an aggregate amount not to exceed the limit specified in
18 subdivision (b).

19 (E) Provide the taxpayer with a copy of the certification to retain
20 for the taxpayer's records.

21 (2) Provide an annual listing to the Franchise Tax Board of the
22 taxpayers who were issued certificates for the credit authorized
23 by this section and Section 23682, and the total dollar amount of
24 the credit claimed by each taxpayer.

25 (g) In the case of any passthrough entity, any credit under this
26 section shall be allowed to the passthrough entity and passed
27 through to the partners or shareholders in accordance with
28 applicable provisions of Part 10 (commencing with Section 17001)
29 or Part 11 (commencing with Section 23001). For purposes of this
30 subdivision, "passthrough entity" means any partnership or "S"
31 corporation.

32 (h) This section shall remain in effect only until January 1, 2015,
33 or until the aggregate amount of tax credits authorized under this
34 section and Section 23682 is exhausted, whichever occurs first,
35 and as of that date is repealed.

36 SEC. 2. Section 23682 is added to the Revenue and Taxation
37 Code, to read:

38 23682. (a) (1) For each taxable year beginning on or after
39 January 1, 2009, there shall be allowed as a credit against the
40 "net tax," as defined by Section 23036, an amount equal to the

1 amount contributed by the taxpayer during the taxable year to the
 2 Umbilical Cord Blood Collection Program Fund.

3 (2) The contribution shall not be eligible for the credit unless
 4 it is certified in accordance with paragraph (1) of subdivision (f).

5 (b) The aggregate amount of tax credits authorized under this
 6 section and Section 17053.82 shall not exceed twenty-five million
 7 dollars (\$25,000,000).

8 (c) (1) In the case of the taxpayer whose credit amount under
 9 this section exceeds its tax liability, the excess shall be credited,
 10 upon appropriation by the Legislature, against other amounts due,
 11 if any, from the taxpayer, and the balance, if any, shall be refunded
 12 to the taxpayer.

13 (2) Those amounts, that are determined by the Franchise Tax
 14 Board to be necessary to make the refunds pursuant to this section,
 15 when authorized by the Legislature, shall, notwithstanding Section
 16 13340 of the Government Code, be continuously appropriated
 17 without regard to fiscal years from the Corporation Tax Fund
 18 established pursuant to Section 19604 to the Franchise Tax Board
 19 for the purpose of making these refunds.

20 (d) For purposes of this section, the “Umbilical Cord Blood
 21 Collection Program Fund” means the fund to be established
 22 pursuant to Section 1628 of the Health and Safety Code.

23 (e) In order to be eligible for the credit authorized by this
 24 section, the taxpayer shall file an application for the tax credit
 25 with the State Department of Public Health, in the form or manner
 26 as prescribed by the State Department of Public Health.

27 (f) The State Department of Public Health shall do all of the
 28 following:

29 (1) With respect to taxpayers filling out an application for
 30 certification for the credit authorized by this section:

31 (A) Certify that the taxpayer made a contribution as specified
 32 in subdivision (a).

33 (B) Obtain the taxpayer’s identification number.

34 (C) Process and approve or reject all applications on a
 35 first-come-first-served basis.

36 (D) For approved applications, issue certificates for the tax
 37 credit in an aggregate amount not to exceed the limit specified in
 38 subdivision (b).

39 (E) Provide the taxpayer with a copy of the certification to retain
 40 for the taxpayer’s records.

1 (2) Provide an annual listing to the Franchise Tax Board of the
2 taxpayers who were issued certificates for the credit authorized
3 by this section and Section 17053.82, and the total dollar amount
4 of the credits claimed by each taxpayer.

5 (g) This section shall remain in effect only until January 1, 2015,
6 or until the aggregate amount of tax credits authorized under this
7 section and Section 17053.82 is exhausted, whichever occurs first,
8 and as of that date is repealed.

9 SEC. 3. This act provides for a tax levy within the meaning of
10 Article IV of the Constitution and shall go into immediate effect.

11 SECTION 1. ~~(a) The State Department of Public Health shall~~
12 ~~establish an advisory council on umbilical cord blood donation.~~
13 ~~The advisory council shall be comprised of members of a variety~~
14 ~~of backgrounds, and shall be appointed by the Governor, the~~
15 ~~President pro Tempore of the Senate, and the Speaker of the~~
16 ~~Assembly. Council members shall serve without compensation,~~
17 ~~except that members shall be reimbursed for authorized travel~~
18 ~~costs and expenses.~~

19 ~~(b) The council shall make recommendations to the Legislature~~
20 ~~on how best to achieve all of the following:~~

21 ~~(1) An increase the number of public blood banks in California.~~
22 ~~The Legislature intends to accomplish this objective by using state~~
23 ~~funds and matching private and federal funds. The council shall~~
24 ~~make these recommendations to the Legislature no later than~~
25 ~~January 1, 2010.~~

26 ~~(2) An increase umbilical cord blood donation for public use,~~
27 ~~particularly among undersupplied ethnic minorities. The council~~
28 ~~shall make these recommendations to the Legislature no later than~~
29 ~~January 1, 2010.~~

30 ~~(3) Ensuring that all general acute care hospitals licensed in the~~
31 ~~state offer women the option to donate or collect umbilical cord~~
32 ~~blood. The council shall make these recommendations to the~~
33 ~~Legislature no later than January 1, 2011.~~